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To: Microsoft ATR
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Subject: Microsoft Settlement

Microsoft has by their monopolistic power over desktop operating systems caused real damage to not only the shape of the marketplace by destroying competition.

The punitive aspects of the proposed settlement do nothing to remedy past infractions - and a total disregard for DOJ sanctions in the past - nor to correct them in the future.

Microsoft's destruction of the competition began with the introduction of Windows 3.1. At that time Microsoft did not hold the edge in office tools or development products.

Within 12 months of the introduction of Windows 3.1, Microsoft had secured the lead in not only operating systems (they controlled only about 95% of the desktops at that time), but also Word Processing products (you can name Microsoft Word - who's number two?) and software development tools (an awkwardly misnamed "Visual" C++). Part of the reason for this success was brought about developing their products to support Windows at the same time as they developed Windows - which did give them an edge. The greater reason was their terribly slow and gradual release of information about how to use and program in their operating environment, a licensing agreement that essentially meant that no matter who developed software, Microsoft would get a percentage, and extensive use of hidden ("undocumented" in programming parlance) features in their operating system - some of which were specifically designed to disable competitors' products.

These practices have not decreased in pace or intensity.

The DOJ's investigations have clearly uncovered Microsoft's bullying of computer manufacturers to not only promote Microsoft's products, but also to eliminate competitors.

Microsoft has at the same time devoured most of the companies who at one time succeeded by providing software utilities to enhance the operating system. Where are the software backup companies that used to exist? Where are the compression and enhanced storage companies? Where are ALL the Windows utilities companies?

With the revenue stream from the operating system, Microsoft has been able to sell products at less than a market value to destroy their competition as well. This has clearly been the case with Internet browsers. Before Microsoft entered the market place, browser software sold for \$50.00. Now it's free - because Microsoft - whose browser was based on federally funded

software - gave theirs away and continues to do so (the subject of another ignored Federal case).

The greatest testimony of Microsoft's crushing the competition is in the Office products arena. Name the number two desktop office suite.

On the development side, Microsoft's dominance was so severe that they haven't had to upgrade their Visual Development Studio for 6 years (their last major release was 1996).

While the DOJ proposes sanctions, Microsoft has turned even them into victories. What about the "punishment" of distributing Microsoft free products to schools? What great marketing. Microsoft surely remembers, but the DOJ appears to be lacking a bit of historical perspective: Wasn't Apple prohibited from GIVING schools computers to further cement their market share in the 1980's?

Microsoft has mocked all the DOJ's settlements and punishments in the past, skating past the stupidity and lazy naivete of those working the case. This settlement appears to be more of the same. If the DOJ is to do anything at all, it should make Microsoft change it's practices: Break it up; force them to sell off their office products or development tools; award damages to those affected by past practices; prohibit them from selling products below a reasonable cost; get a bit more creative than the existing proposal which isn't even sufficient to be considered a hand slap.